



PRESS RELEASE

The Board of Directors of the TBS Group approves the Interim Financial Report as at 30 June 2017

- **Consolidated revenue of €107.2 million, up 8.6 million compared to 98.6 million in the first half of 2016;**
- **EBITDA of €8.3 million, slightly down on the 8.7 million in the first half of 2016;**
- **Operating profit (EBIT) of €3.5 million, down 0.5 million compared to 4.0 million in the first half of 2016;**
- **Net result for the year negative by €0.8 million, up 0.3 million compared to the first half of 2016;**
- **Net financial debt of €77.0 million, up 10.0 million compared to 31 December 2016 (67.0 million) but down €1.6 million compared to 31 March 2017.**

- Data not audited by the Board of Statutory Auditors.

(*) Figures for 30 June 2016 restated following the loss of controlling interest of the subsidiaries INSIEL MERCATO and PCS, pursuant to IAS1

Main consolidated economic results for the first half of 2017

The TBS Group's Board of Directors today approved the interim financial report as at 30 June 2017 which shows an increase in income and other revenues, totaling €107.2 million, up by €8.6 million compared to the €98.6 million for the same period in 2016 (+8.7%).

A revenue assessment by line of business shows the following results:

- Revenues were rising for the Clinical Engineering Services and Integrated ICT Solutions – BU Italy, which went from 61.8 million in the first half of 2016 to 69.5 million for the same period in 2017, an increase of €7.7 million (+12.4%)
- Revenues were rising for the Clinical Engineering Services and Integrated ICT Solutions – BU International, which grew from €36.8 million in the first half of 2016 to 37.7 million for the same period in 2017, an increase of €1.0 million (+2.6%)

The percentage breakdown of the revenues for both BU led to an increase for the Italy component, which rose by 2.1% (64.8% BU Italy, 35.2% BU International).

An analysis of income by geographical area confirms Italy as the main market for the TBS Group, highlighting a slight downturn for the other European countries which represented 28.6% of total revenues in the first six months compared to 32.4% for the same period in 2016. Non-European countries grew thanks to the contribution from TBS India, which continued the trend of rising sales (+1.2 million euro, an increase of 36.4%).

Consolidated EBITDA, at €8.3 million, fell slightly by €0.4 million compared to the first half of 2016, which felt the positive impact of €0.3 million from the services contracts and management fees charged to PCS and Insiel Mercato, which terminated in 2017.

However, it should be noted that during the half-year non-recurring costs of more than €1.2 million were incurred, mainly in Italy and in the UK.

EBIT fell by 0.5 million, from €4.0 million in the first six months of 2016 to 3.5 million for the same period in 2017; this decline was due to the reduction in EBITDA.



There was an improvement in net financial management for the year, at 1.2 million (2.3 million in the previous year); there was a positive impact on financial income thanks to the closure of the Erre Effe and Ing.Burgatti put/call options, with a total value of €0.4 million; financial charges also fell thanks to the reduction in net financial debt, which was the result of sale transactions from late 2016.

The first six months of 2017 ended with an annual result from operating assets that was positive by €0.7 million, an upturn of €0.4 million compared to the first half of 2016.

The negative result for assets held for sale, of -1.5 million euro, took the net negative result to €1.0 million, a deterioration of €0.3 million compared to the same period in 2016.

Paolo Salotto, CEO of TBS Group, declared: *“The results for this first half of the year are certainly satisfactory, with an increase in sales both in Italy and abroad, and an improvement in the main economic indicators, net of the non-recurring costs incurred during the period. The results encourage an optimistic view of the Group’s future growth, starting with the transition phase that has just begun, following the successfully concluded takeover bid launched by Pantheon through Double 2 S.p.A. on the capital of the TBS Group”.*

Financial situation as at 30 June 2017

Net financial debt at the end of the period was €77.0 million, an increase of 10.0 million compared to 67.0 million at the end of 2016 (the figure was 78.6 million at the end of the first quarter of 2017).

There was a slight growth in working capital which went from 63.1 million at the end of 2016 up to 64.5 for the first half of 2017 (+1.4 million, although there was a decline in the ratio to revenues (from 31.5% of revenues to 30.9%); non-recourse transactions were slightly higher than for the first half of 2016 (51.2 for the first half of 2017 compared to 47.7 million for the same period in 2016).

Main events during the half-year and significant events occurring after the closing date

The main events occurring during the first half of 2017 are described in more detail in the press releases published on the company’s website, in the section Investor Relations and News & Media.

It must first be remembered that on **12 May 2017** Double 2 S.p.A. launched a public purchase bid for 42,185,576 ordinary shares (including 764,210 own shares), representing 100% of the TBS Group, for a price of €2.20 per share.

Double 2 S.p.A. is owned by the Permira Group, through a chain of control.

The key terms and conditions of the bid were contained in the press release as required by Article 102 of the Consolidated Law on Finance and Article 37 of the CONSOB regulation issued on 12 May 2017, as well as the offer prospectus of 23 June 2017.

The bid was concluded successfully on **26 July 2017** and the final shares were paid on 31 July 2017, when the bidder acquired 41,034,334 shares corresponding to 97.271% of the issuer’s entire capital and 99.066% of the voting capital.

The Board of Directors of TBS Group S.p.A., which met on **24 July 2017** following the successful completion of the voluntary bid made by Double 2 S.p.A resolved among other things:

- to apply to Borsa Italiana SpA for the delisting of the ordinary TBS Group shares from the AIM in compliance with Art. 41 of the AIM-listed Issuer Regulation (“Delisting”);
- to apply to Consob in compliance with Art. 108, par. 2, of the Issuer Regulation, approved with Consob’s Resolution no. 11971 of 14 May 1999 requesting that TBS Group is withdrawn from the list of issuers with a broad shareholders base in compliance with art. 108, par. 5 of the



Issuer Regulation, as the conditions under art. 2A of the Issuer Regulation for inclusion in the above list ceased to apply.

- to grant a mandate to the Chairman to call the TBS Group Shareholders' Meeting (setting the relevant place, date and agenda) for the renewal of corporate offices.

On **25 July 2017**, following the press release published on 24 July 2017, TBS Group S.p.A. announced that in accordance with article 41 of the AIM Issuers' Regulation and the related Guidelines, after informing Borsa Italiana S.p.A., it had revoked the trading of its ordinary shares on AIM Italia with effect from 25 August 2017; therefore, 24 August would be the last day for the trading of the ordinary shares of TBS Group S.p.A.

Other events occurring in the first half of 2017

The TBS Group, through its subsidiary EBM, completed the acquisition of the business unit of Esaote on **3 February 2017**. The division operates in the field of clinical engineering services and the acquisition brings with it 26 contracts for the management and maintenance of biomedical equipment. The investment by TBS Group amounted to €4.1 million.

In continuing the process of streamlining its corporate structure in Italy, on **30 June 2017** following the exercise of a put option, TBS Group through its subsidiary TBS Imaging, signed a definitive agreement for the acquisition of the remaining 35% of the share capital of Ing. Burgatti.

Also on **30 June 2017** following the exercise of another put option, the TBS Group also signed a definitive agreement to acquire the remaining 49% of the share capital of Erre Effe Informatica s.r.l.

The major contracts signed at Group level in the first half of 2017 include:

- On **22 June 2017** TBS India, a 100% subsidiary of TBS Group, won the contract for the supply of maintenance services for biomedical equipment distributed in the Indian state of Meghalaya. The contract was signed on 9 June 2017 and has a term of 5 years with the option to extend it for a further 5, and the total value of €2.5 million (annual quota €500,000). Operations began on 1 July.
- On **3 July 2017** Elettronica Bio Medicale S.r.l. (EBM), a subsidiary of TBS Group, signed a three-year renewal on a contract to supply integrated clinical engineering services to healthcare facilities in the Friuli Venezia Giulia region; the extension of this contract which was originally agreed on 26 June 2014, started on 1 July 2017 for a further three years and has a total estimated value of €35.7 million excluding VAT, of which €21.48 million pertain to EBM.

On **4 August 2017** - Cerved Rating Agency lowered the public rating of TBS Group to B1.1. from the A3.1 it held previously.

On **4 August 2017** the meeting of TBS Group shareholders was convened, with the first call on 5 September 2017, to determine the number of directors, appoint them to office, and determine their fees.

TBS Group S.p.a., listed on the AIM Italia, designs and manages outsourced clinical engineering and integrated ICT solutions in order to make the use and management of biomedical and IT technologies safer and more effective in health and social facilities, both public and private. With registered offices in Trieste's AREA Science Park and revenues totaling 200.3 million euros in 2016, the Group is present in numerous countries and operates with over 2,000 employees, in over 20 specialist centres and in more than 300 on-site workshops linked to over 1,000 hospitals and other public and private bodies.



For further information: www.tbsgroup.com

TBS Group S.p.A.
Investor Relator
Stefano Beorchia
tel.: +39 040 92291
ir@tbsgroup.com

Trieste, 10 August 2017



Half-Year Financial Statements as of 30 June 2017

Drawn up in compliance with International Accounting Standards (IFRS)

Consolidated statement of financial position

<i>(in thousands of euro)</i>	30/06/2017	31/12/2016
ASSETS		
NON-CURRENT ASSETS		
- Assets with indefinite useful life (goodwill)	36,070	32,430
- Intangible assets with finite useful life	15,389	15,670
Intangible assets	51,459	48,100
- Land and buildings	5,852	5,957
- Plants and machinery	14,150	12,163
- Other tangible assets	2,478	2,374
Tangible assets	22,480	20,494
- Investments in associated companies	2,302	2,302
- Investments in other companies	166	168
- Other financial assets	2,388	2,602
- Other non-current assets	393	394
- Deferred tax assets	5,239	5,634
Other non-current assets	10,488	11,100
NON-CURRENT ASSETS	84,427	79,694
Inventories	13,843	13,866
Trade receivable	93,369	87,800
Other current assets	17,735	13,296
Income tax receivables	3,026	2,441
Current financial assets	16,447	4,895
Cash and cash equivalents	14,765	32,167
CURRENT ASSETS	159,185	154,465
Assets held for sale	9,349	10,591
TOTAL ASSETS	252,961	244,750
SHAREHOLDER'S EQUITY		
- Share capital	4,142	4,142
- Reserves	46,803	48,111
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	50,945	52,253
EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	2,079	2,508
CONSOLIDATED SHAREHOLDERS' EQUITY	53,024	54,761
LIABILITIES		
Interest-bearing loans and borrowings	40,369	47,298
Employee Severance Indemnity	7,144	7,136
Deferred tax liabilities	7,561	7,540
Provisions	1,136	1,639
Other non-current liabilities	179	183
NON-CURRENT LIABILITIES	56,389	63,796
Trade payables	42,717	38,583



Other current liabilities	22,399	19,953
Interest-bearing loans and borrowings	66,399	56,550
Tax payables	2,729	2,089
CURRENT LIABILITIES	134,246	117,177
TOTAL LIABILITIES	190,635	180,973
Liabilities held for sale	9,303	9,017
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	252,961	244,750

Consolidated statement of income

<i>(in thousands of euro)</i>	I° half 2017	I° half 2016 (*)
Sale of goods and rendering of services	106,710	98,067
Other revenues	525	550
Total revenue	107,235	98,617
Cost of materials	22,595	17,656
Service costs	36,157	33,297
Personnel costs	37,878	37,202
Other operating costs	2,359	1,908
Cost adjustments for in-house generation of non-current assets	-220	-371
Amortisation, depreciation and write-downs	4,805	4,768
Other provisions	164	181
Total operating costs	103,738	94,641
OPERATING PROFIT	3,497	3,976
Gain (losses) from investments	0	-795
Financial income	1,019	330
Financial expenses	-2,145	-2,665
PROFIT BEFORE TAX	2,371	846
Income taxes	-1,671	-562
PROFIT/(LOSSES) FOR THE YEAR deriving from operating assets	700	284
Result of assets held for sale	-1,533	-799
PROFIT/(LOSS) FOR THE PERIOD	-833	-515
Net profit/(Loss) attributable to the minority interests	-146	-188
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP	-979	-703
Earnings/(loss) per share attributable to ordinary equity holders of the Parent Company (amounts in euro)		
- basic	-0.024	-0.017
- diluted	-0.024	-0.017

(*) Data restated following the loss of controlling interest of the subsidiaries INSIEL MERCATO and PCS, pursuant to IAS1



Consolidated statement of comprehensive income

(in thousands of euro)

		1° half 2017	1° half 2016
Net profit/(loss) for the period	(A)	-833	-515
Other items of the comprehensive income statement that will be subsequently reclassified to profit/(loss) for the year			
Fair value variation on hedge derivative		10	0
Tax impact on hedge derivative		-1	0
Change in foreign currency translation reserve		-239	-470
Other items of the comprehensive income statement that will not be subsequently reclassified to profit/(loss) for the year			
Actuarial losses		14	-400
Tax effect on actuarial losses		-3	88
Actuarial losses net of tax effect		11	-312
Other comprehensive income, net of taxes	(B)	-219	-782
Net profit/(loss) for the period	(A)+(B)	-1,052	-1,297
Total result attributable to:			
- Minority interests		183	188
- Equity holders of the parent company		-1,235	-1,485
Total		-1,052	-1,297



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of euro)</i>	1° half 2017	1° half 2016
Profit before tax from continuing operations	2,371	641
- Depreciation, amortization and write-downs of intangible and tangible fixed assets	4,805	5,962
- Net increase/(decrease) in the Employee Severance Indemnity provision and other personnel funds	16	2
- Net change in provisions for risks and charges	164	182
- Interest and other financial income	-1,018	-320
- Financial expenses	2,145	2,821
Flow from operating activities of assets held for sale	-1,494	-578
Total	6,989	8,710
Net change in working capital for the period		
(Increase)/decrease in inventories	22	-542
(Increase)/decrease in trade receivables	-5,568	-1,442
(Increase)/decrease in trade payables	4,136	535
(Increase)/decrease in other assets and liabilities	-3,068	-346
Change in operating capital of assets held for sale	373	-208
Total	-4,105	-2,003
Interest and other financial income received	0	0
Income tax paid	-1,537	-767
Income tax paid on assets held for sale	465	0
CASH FLOW GENERATED (USED IN) BY OPERATING ACTIVITIES	1,812	5,940
- Purchase of intangible assets	-788	-1,685
- Purchase of tangible assets	-4,710	-3,488
- Changes in financial receivables and other financial assets	0	0
- Acquisition of minorities in consolidated investments	0	-6
- Acquisition of other investments	0	15
- Disposal of investments	0	0
- Disposal of intangible assets	0	7
- Disposal of tangible assets	180	165
- Acquisition of subsidiaries, net of financial resources	-4,151	-224
Flow from financing activities of assets held for sale	-246	-477
CASH FLOWS PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	-9,715	-5,693
CASH FLOWS FROM FINANCING ACTIVITIES		
- Net increase/(decrease) in short term interest-bearing loans and borrowings	9,954	-587
- Net increase/(decrease) in long term debts	-6,938	1,252
- Net change in financial receivables and other financial assets	-11,508	-1,668
- Dividends paid to minority interests	-709	-71
- Interest and other financial expenses paid	-2,145	-2,691
- Interest and other financial income cashed	1,019	320
Flow from financing activities of assets held for sale	567	1,784
CASH FLOWS PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	-9,760	-1,661



CASH FLOW from ordinary assets	-17,328	-1,935
CASH FLOW from assets held for sale	-335	521
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	32,167	24,361
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD of assets held for sale	1,544	810
- Net foreign-exchange difference	-74	13
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,765	22,439
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD of assets held for sale	1,208	1,331
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD TOTAL	15,973	23,770